Against the Grain

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Cases of Note-SunTrust Bank v. Houghton Mifflin Company

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Cases of Note — SunTrust Bank v. Houghton Mifflin Company

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Copyright - Or Why Parody Doesn't Have To Be Funny

SunTrust Bank, as Trustee of the Stephen Mitchell trusts v. Houghton Mifflin Company, 268 F.3d 1257; 2001 LEXIS 21690 (11th Cir. 2001).

This is an appeal from the US District Court in — you guessed it — Georgia! Because we are dealing with that Georgia classic ***Gone With the Wind.***

As you recall, Margaret Mitchell, a Smith College alum, was struck down by a speeding car after the publication of her one opus. Her husband left The Mitchell Trust in possession of copyright to **GWTW.** The Trust — managed by a big Sunbelt bank — has authorized derivative works the first of which sold massively to GWTW fanatics. And Pat Conroy wouldn't write one because SunTrust wouldn't let him include homosexuality or miscegenation. Little did SunTrust suspect what was coming.

Let there be no doubt about it. Author Alice Randall does not like GWTW, and she penned ***The Wind Done Gone*** to let the world know exactly how she feels. The first half of her book lifts pretty freely from GWTW using famous scenes and characters, and the Ashley & Scarlett crowd aren't real pretty.

Here's a bit of trivia for you. Randall's narrator Cynara is taken from the poem by Ernest Dowson from which Mitchell took her title. ("I have forgot much, Cynara! gone with the wind, ...").

SunTrust sued for copyright infringement and was given a preliminary injunction by the District Court enjoining Houghton Mifflin from further production and sale until a trial could be had on the merits. The Appeals Court reversed.

I always wonder how lawyers in the position of Houghton Mifflin analyze the situation. Sure, you've beaten the injunction. But do you have enough confidence in the opinion to go forward with publication — knowing as you do that there's a battle joined and SunTrust might get its act together and show market damage? Because at the end of the opinion, the Eleventh Circuit pretty much told SunTrust market damage was the weak point in their case.

Some Not Really Needed History

The opinion — if you want to look it up — leads off with a very interesting history of copyright from the 1710 Statute of Anne in England to the *US Constitution* art. 1, § 8, cl. 8 to the first American federal copyright act in 1790. And there's a nice reference to Edward C. Walterscheid, "The Remarkable-and Irrational-Disparity Between the Patent Term and the Copyright Term," 83 J. PAT. & TRADEMARK OFF. SOC'Y 233 (2001) which is something I never thought about before, but should be of interest to all those who want to reduce the time that scholarly journals can own articles.

AND n8 has a curious bit of trivia. "Copy" was originally interpreted literally. So a translation of *Uncle Tom's Cabin* into German was not an exact copy of the original book and thus not a piracy. See *Stowe v. Thomas,* 2 Wall. Jr. 547, 23 F. Cs. 201 (C.C.E.D. Pa. 1853). Today, this would be a "derivative work" and protected. Whatcha don't learn.

Fair Use was judge-created in *Folsom v. Marsh,* 9 F. Cas. 342 (C.C.Mass. 1841) and not put into statutory form until the 1976 Act.

And then there's a discussion of copyright and the First Amendment which finally leads up to their point that Fair Use is a protection of free speech values. Hence courts need not address the First Amendment in copyright cases. *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.,* 166 F.3d 65, 74 (2d Cir. 1999).

So When an Injunction?

Must show likelihood of success on the merits.

Well, is there a prima facie copyright infringement? Yes, (1) if SunTrust owned copyright in GWTW — it did — and (2) Randall copied original elements. Your standard in (2) is "an average lay observer" would spot the appropriation. *Leigh v. Warner Bros., Inc.,* 212 F.3d 1210, 1214 (quoting *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.,* 684 F.2d 821, 829 (11th Cir. 1982)) (11th Cir. 2000).

And that leads to that awful idea-expression dichotomy. *Scènes-à-faire* or stock scenes and hackneyed characters are ideas and not protected. But TWDG lifts fifteen characters plus Mitchell's descriptions, relationships and locales. True, there is renaming, but it's pretty transparent and of the "well-duh" variety: Melanie as "Mealy Mouth", Rhett Butler as "R.B." and Aunt Pittypat as "Aunt Pattypit." Both District and Appeals courts had no trouble deciding that the first half of TWDG is "an encapsulation of [GWTW] [that] exploits its copyrighted characters, story lines, and settings as the palette for the new story." *SunTrust Bank v. Houghton Mifflin Co.,* 136 F. Supp. 2d 1357, 1367 (N.D.Ga. 2001).

Even though Randall stood the characters on their heads making the strong weak and the romantic corrupt, they are the same characters, settings and plot.

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Fair Use Defense

This of course leads to that four element analysis and the task of weighing them together.

Purpose of the use - parody. The Act permits comment, and parody is a form of comment. *Campbell v. Acuff-Rose Music, Inc.,* 510 U.S. 569, 579 (1994). Parody mimics "an original to make its point, and so has some claim to use the creation of its victim's ... imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing." *Id.* at 580-81.

Well, I'd certainly never thought of that before. But then I wasn't an English major.

The parodic character of the work must "reasonably be perceived" without, however, the courts trying to judge whether the attempt at humor succeeded. *Id.* at 580. But must parody seek comic effect and ridicule, or is there a broader definition of commenting upon and criticizing a prior work? The Eleventh Circuit found no adequate guidance in *Campbell* and chose the broader approach.

N23 is pretty interesting here, quoting Michiko Kakutani's review of TWDG in the *New York Times* saying the work is "decidedly unfunny." To which Houghton Mifflin replies that it's "African-American humor" and non-African-American judges can't evaluate it. The Court kind of coughs behind it's hand at this notion of a subjective inquiry and says it doesn't matter because parody doesn't have to be funny. Which is where TWDG slides by under Fair Use. TWDG is not a commentary on slavery and the South which might shade over into satire, but a specific attack on GWTW.

Once again now, Purpose of the Use. Well it's commercial of course. But this can be overshadowed by a strong transformative use of GWTW. "The goal of copyright, to promote science and the arts is generally furthered by the creation of transformative works." *Id.* at 579.

Well Randall sure does that. Ashley Wilkes is gay. Scarlett has black blood. Rhett Butler dumps Scarlett for Cynara, the black narrator and ends up ruined. And this, in the language of *Campbell* provides "social benefit, by shedding light on an earlier work, and, in the process, creating a new one." *Id.*

Nature of the Work. In the hierarchy of values, original works get greater protection than derivative ones. But parody is always going to feed off famous original works.

Amount Used. "[P]arody's humor, or in any event its comment, necessarily springs from recognizable allusion to its object through distorted imitation ... When parody takes aim at a particular original work, the parody must be able to 'conjure up' at least enough of that original to make the object of its critical wit recognizable." *Id.* at 588.

Houghton Mifflin argued that each of the characters lifted from GWTW represented an Old South stereotype that had to be shown first in the original before they could be shattered. SunTrust said TWDG took way too much — far more than necessary for commentary. TWDG includes lots of petty detail from GWTW. The Tarleton twins have red hair. Melanie is flat-chested. Bonnie wears a blue-velvet riding habit.

Campbell holds that a parodist need not be restricted to taking a bare minimum. "Parody frequently needs to be more than a fleeting evocation of an original in order to make its humorous point ... Even more extensive use [than necessary to conjure up the original] would still be fair use, provided the parody builds upon the original, using the commentary." *Elsmere Music, Inc. v. National Broad'g Co.,* 623 F.2d 252, 253 n. 1 (2d Cir. 1980).

Viz, it's okay to go over the line if TWDG doesn't provide a market substitute for GWTW. *Campbell,* 510 U.S. at 588.

SunTrust argued Houghton Mifflin labeled TWDG a parody as a legalistic afterthought. *Campbell* warned courts to "ensure that not just any commercial takeoff is rationalized post hoc as a parody." *Id.* at 600. The Eleventh Circuit said this was taken care of by the market effect analysis.

Effect on the Market Value of the Original. Here market harm is looked at and the "what if everyone did it" question considered.

SunTrust has authorized a second derivative work and St. Martin's paid "well into seven figures" for it.

So how much is "well into"? Five million? Four?

But that doesn't address the question of whether TWDG supplants GWTW. And the Court reasoned there wasn't much likelihood of that. The two groups of fans don't have a whole lot of overlap, and an anti-Gone With the Wind screed won't be bought by those folks who meet in convention motels in antebellum costumes.

And Some Final Thoughts on Parody.

"'Parodies and caricatures ... are the most penetrating of criticisms.'" *Cardtoons, L.C. v. Major League Baseball Players Ass'n,* 95 F.3d 959, 972 (10th Cir. 1996) (quoting **Aldous Huxley,** *Point Counter Point,* ch. 13 (1928)).

"The parody is the last refuge of the frustrated writer. Parodies are what you write when you are associate editor of the *Harvard Lampoon.* The greater the work of literature, the easier the parody. The step up from writing parodies is writing on the wall above the urinal." Paul Hirshson, "Names and Faces," *The Boston Globe,* July 22, 1989 at 7 (quoting **Ernest Hemingway**).

Which is really amusing when you consider that Hemingway's The Torrents of Spring was a savage and vindictive parody of his mentor Sherwood Anderson's Dark Laughter.

How's that for someone who wasn't an English major?

Questions & Answers — Copyright Column

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QUESTION: The price difference between institutional and individual subscription rates for many expensive biomedical journals is extraordinary. Sometimes a faculty member wants to donate a personal subscription to the library since it cannot afford the more costly institutional subscription. Is there a problem with accepting the gift subscription and adding the journal to the library collection? (This question was answered in the column for September, 2000, but I have been asked to address it again.)

ANSWER: Historically, journal subscriptions had just one price for subscribers, but this began to change after the photocopier became ubiquitous in libraries. Some publishers recognized that the use a library subscription received was quite different from that an individual subscription typically received. When an individual subscribes to a journal, the assumption is that only that one person or a very small number of users will read that copy of the journal.

Institutional copies, however, have multiple users and the number probably is greater for the more expensive journals. For years publishers even said that institutional subscriptions permitted multiple users and some photocopying. In recent years, publishers have downplayed the latter, and in the Texaco decision, the Second Circuit U.S. Court of Appeals, held that even institutional subscriptions do not insulate a company from paying royalties for in-house copying. This case applied only to profit-seeking organizations, however.

So, what happens when a faculty member donates a personal subscription to the library? Clearly, publishers expect libraries to pay the higher institutional rate if that journal is to be added to the collection and used as if it were an institutional subscription. Is it fair to treat a gift personal subscription as if it were purchased at the library rate? Probably not. Is it copyright infringement? The issue has never been litigated and arguably the first sale doctrine permits the faculty member to donate the subscription to the library.

Here are some issues to consider: (1) Did the faculty member agree to a single user license when he subscribed to the journal? (2) Did she agree not to donate the journal in the license agreement? (3) How can the library be sure that use of the faculty member

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